

WFG Underwriting Bulletin



To: All Rhode Island Policy Issuing Agents of WFG National Title Insurance Company
From: Underwriting Department
Date: October 26, 2021
Bulletin No: RI 2021-03
Subject: Requirements under R.I.G.L. § 27-2.6-12 – Policyholder Treatment

Pursuant to R.I.G.L. [§27.2.6.12](#), title insurers or agents are required to provide certain disclosures or notifications to a purchaser-mortgagor of real estate when the title insurance report or commitment is issued.

Purchaser-Mortgagor Notice

Subsection (a) requires the title insurer or agent to provide the purchaser-mortgagor (or their agent) with a copy of any title insurance report/commitment which includes an offer to issue an owner's policy for the purchase of an owner-occupied residential property as soon as "reasonably possible" prior to the closing. If not delivered prior to the closing, the agent must document the reason for the delay. Any report or commitment furnished to the purchaser-mortgagor must incorporate the following statement on the first page in bold type:

"Please read the exemptions and the terms shown or referred to herein carefully. The exemptions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this form is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land."

All Rhode Island policy issuing agents or title production offices of WFG must include the above statement as the first page of any title insurance report or title commitment. A copy should be retained for the agent's or offices' file and the agent should be prepared to present a copy of the same as part of any audit conducted by WFG. A [sample of the Purchaser-Mortgagor Notice is attached here](#) and can also be found at [WFG Underwriting](#).

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company's Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.

Notice of Availability

Subsection (b) of [§27.2.6.12](#) requires written notice be given to the purchaser-mortgagor at the time the title commitment is prepared when a lender's title policy is being issued for a mortgage loan made simultaneously with a purchase transaction of real estate securing the mortgage loan (a/k/a a purchase money mortgage), and no owner's title policy has been requested. The notice must explain:

- that the lender's title policy protects the mortgage-lender; and does not provide title insurance protection to the purchaser-mortgagor as the owner of the property being purchased;
- what a title policy insures against and what possible exposures and title problems may exist that could be covered by an owner's policy; and
- that the purchaser-mortgagor may obtain an owner's policy at a specified or approximate cost.

This type of notice is often referred to as a Notice of Availability. The notice must be signed by the purchaser-mortgagor, and a copy must be retained by the agent in the agent's title file for at least five (5) years after the effective date of the lender's title insurance policy (a/k/a the date of the purchase closing).

All Rhode Island policy issuing agents of WFG must comply with the above requirements, and will be required to present a copy of the Notice of Availability or substantially similar form as part of any audit conducted by WFG. A [sample Notice of Availability is attached here](#), and can also be found at [WFG Underwriting](#). Most closing software platforms also include a similar Notice of Availability, which can also be used so long as it complies with the statutory requirements.

Should you have any questions regarding this or any other matter, please do not hesitate to reach out to your local or national Underwriting Counsel.

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